

AMENDED IN SENATE MARCH 9, 2016

**SENATE BILL**

**No. 900**

**Introduced by Senator Jackson**

(Principal coauthor: Assembly Member Williams)

January 21, 2016

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An act to amend Section 6217 of, and to add Section 6212 to, the Public Resources Code, relating to state lands.

LEGISLATIVE COUNSEL'S DIGEST

SB 900, as amended, Jackson. State lands: coastal hazard removal and remediation program.

(1) Existing law establishes the State Lands Commission in the Natural Resources Agency and prescribes the functions and duties of the commission. Under existing law, the commission has jurisdiction over various state lands, including coastal lands.

This bill ~~would require~~, *would*, upon appropriation of moneys by the Legislature, *require* the commission ~~to to, within 2 years~~, administer a coastal hazard removal and remediation program, as specified. The bill would authorize the commission to seek and accept on behalf of the state any gift, bequest, devise, or donation whenever the gift and the terms and conditions thereof will aid in actions undertaken to administer that program. The bill would authorize the commission to seek to abandon, in cooperation with the Division of Oil, Gas, and Geothermal Resources, legacy oil and gas ~~wells~~ *wells, as defined*, that present a hazard to the public health and safety and the environment. The bill would require the commission to annually report to the Legislature the activities and accomplishments of the program.

(2) Existing law, with specified exceptions, generally requires the State Lands Commission, on and after July 1, 2006, to deposit all

revenue, money, and remittances, derived from mineral extraction leases on state tide and submerged lands, including tideland oil revenue, into the General Fund, to be available upon appropriation by the Legislature for specified purposes. Existing law establishes the Land Bank Fund, a continuously appropriated fund, from which the commission may expend moneys for management and improvement of real property held by the commission, as trustee, to provide open space, habitat for plants and animals, and public access.

This bill would require that, for the 2017–18 fiscal year, out of those funds deposited into the General Fund by the commission, the sum of \$2,000,000 be transferred to the Land Bank Fund and be available, upon appropriation in the annual Budget Act, for the purpose of implementing the coastal hazard *removal* and remediation program. The bill would require that, commencing with the 2018–19 fiscal year and each fiscal year thereafter, an amount sufficient to bring the unencumbered balance of the Land Bank Fund available for the purpose of implementing the program to \$2,000,000 be transferred to that fund and be available, upon an appropriation in the annual Budget Act, for the purpose of implementing the program.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Scattered along the California coastline are the remnants of
- 4 many old, ~~manmade~~ *human-made* structures including abandoned
- 5 oil and gas wells, groins, jetties, piers, pilings, and seawalls.
- 6 (b) These remnants, ~~which are~~ often covered and uncovered by
- 7 tides, are the legacy of the rapid commercial development along
- 8 the coastline that began just before the turn of the 20th century.
- 9 (c) Most legacy *oil and gas* wells were abandoned in the early
- 10 1900s when there was little or no oversight of the abandonment
- 11 activities, ~~so the level of demolition~~ and removal, if any, varied
- 12 from well to well. Some legacy *oil and gas* wells, therefore, may
- 13 seep oil into the surf zone impacting swimmers, surfers, and other
- 14 recreational users, and causing environmental degradation.
- 15 (d) The State Lands Commission has primary jurisdiction over
- 16 sovereign lands *along the California coastline* that are held in trust

for statewide public purposes, including, commerce, navigation, fishing, recreation, and open space and habitat preservation.

(e) The State Lands Commission has long recognized the serious and ~~ongoing perennial~~ health concerns and safety hazards ~~posed by that~~ coastal hazards and legacy wells: *oil and gas wells pose.*

(f) There is a critical need for adequate funding to ~~conduct an in-depth~~ inventory of coastal hazards, including legacy oil and gas wells and related infrastructure, along the California coastline. ~~An assessment of the entitlement of lands and the engineering requirements and related funding needs for removal of coastal hazards is necessary to begin considering how to remove coastal hazards and remediate legacy wells: coastline in order to begin determining how to remove coastal hazards and to identify and remediate leaking legacy oil and gas wells.~~

(g) ~~Provided—~~With adequate funding, the State Lands Commission can inventory coastal hazards, legacy *oil and gas* wells and other oil and gas related hazards along the California coastline, including determining specific GPS locations, assessing entitlement requirements, preparing preliminary engineering requirements and removal cost estimates for each hazard, and removing and remediating hazards that are a significant risk to public health and safety and the environment. Adequate funding will also enable the State Lands Commission to survey and monitor oil seepage in state waters under its jurisdiction and on tidelands, and to request studies to determine oil seepage locations, rates, environmental impacts, and mitigation measures.

SEC. 2. Section 6212 is added to the Public Resources Code, to read:

6212. (a) Upon appropriation of moneys by the Legislature for the purposes of this section, the commission ~~shall~~ *shall, within two years*, administer a coastal hazard removal and remediation program to do all of the following:

~~(1) Remove coastal hazards from lands under its jurisdiction.~~

~~(2)~~

*(1) Conduct an in-depth inventory of the legacy oil and gas wells and other coastal hazards along the California coastline.*

~~(3)~~

*(2) Survey and monitor oil seepage in state waters and tidelands under its jurisdiction and request studies to determine and address*

1 oil seepage locations, rates, environmental impacts, and possible  
2 mitigation measures.

3 (3) *Begin removal of coastal hazards from lands under its*  
4 *jurisdiction.*

5 (b) Notwithstanding Section 11005 of the Government Code  
6 and any other law requiring approval by a state officer of gifts,  
7 bequests, devises, or donations, the commission may seek and  
8 accept on behalf of the state any gift, bequest, devise, or donation  
9 whenever the gift and the terms and conditions thereof will aid in  
10 actions undertaken pursuant to subdivision (a).

11 (c) In cooperation with the Division of Oil, Gas, and Geothermal  
12 Resources, the commission may seek to abandon legacy oil and  
13 gas wells that present a hazard to the public health and safety and  
14 the environment.

15 (d) The commission shall annually report to the Legislature the  
16 activities and accomplishments of the program. The commission  
17 may include this information in the annual report it submits  
18 pursuant to Section 8618.

19 (e) For purposes of this section the following definitions apply:

20 (1) “Coastal hazards,” include, but are not limited to, ~~manmade~~  
21 *legacy oil and gas wells and human-made* structures, including  
22 piers, jetties, groins, seawalls, and facilities associated with past  
23 oil extraction *and other commercial* operations, that pose a hazard  
24 to the public health and safety. Coastal hazards may include wood  
25 or steel piles or piling, sheet metal pilings, H piles and H beams,  
26 well casings, well caissons, railroad irons, cables, angle bars, pipes,  
27 pipelines, rip rap, and wood beams and structures.

28 (2) “Legacy oil and gas wells” are ~~oil and gas wells that were~~  
29 ~~drilled in the surf zone or just offshore before the enactment of the~~  
30 ~~State Tidelands Act of 1921.~~ *wells drilled near shore, before*  
31 *current abandonment standards, where there is little or no*  
32 *information on the well’s abandonment procedure and there is no*  
33 *viable company with the responsibility to reabandon the well*  
34 *should it start leaking or pose a threat to the environment or the*  
35 *public health and safety.*

36 SEC. 3. Section 6217 of the Public Resources Code is amended  
37 to read:

38 6217. With the exception of revenue derived from state school  
39 lands and from sources described in Sections 6217.6, 6301.5,  
40 6301.6, 6855, and Sections 8551 to 8558, inclusive, and Section

1 6404 (insofar as the proceeds are from property that has been  
2 distributed or escheated to the state in connection with unclaimed  
3 estates of deceased persons), the commission shall deposit all  
4 revenue, money, and remittances received by the commission  
5 under this division, and under Chapter 138 of the Statutes of 1964,  
6 First Extraordinary Session, in the General Fund. Out of those  
7 funds deposited in the General Fund, sufficient moneys shall be  
8 made available each fiscal year for the following purposes:

9 (a) Payment of refunds, authorized by the commission, out of  
10 appropriations made for that purpose.

11 (b) Payment of expenditures of the commission as provided in  
12 the annual Budget Act.

13 (c) Payments to cities and counties of the amounts specified in  
14 Section 6817 for the purposes specified in that section, out of  
15 appropriations made for that purpose.

16 (d) Payments to cities and counties of the amounts agreed to  
17 pursuant to Section 6875, out of appropriations made for that  
18 purpose.

19 (e) (1) For the 2017–18 fiscal year, the sum of two million  
20 dollars (\$2,000,000) shall be transferred to the Land Bank Fund  
21 and, notwithstanding Section 8610, shall be available, upon  
22 appropriation in the annual Budget Act, for the purpose of  
23 implementing the commission’s coastal hazard *removal* and  
24 remediation program provided in Section 6212.

25 (2) Commencing with the 2018–19 fiscal year, and each fiscal  
26 year thereafter, an amount sufficient to bring the unencumbered  
27 balance of the Land Bank Fund available for the purpose of  
28 implementing the commission’s coastal hazard *removal* and  
29 remediation program provided in Section 6212 to two million  
30 *dollars* (\$2,000,000) shall be transferred to the Land Bank Fund  
31 and, notwithstanding Section 8610, shall be available, upon  
32 appropriation in the annual Budget Act, for the purpose of  
33 implementing the commission’s coastal hazard *removal* and  
34 remediation program provided in Section 6212.